

"(A) a person for whom a guardian or other fiduciary has been appointed; and

"(B) a minor, mentally incompetent, or otherwise legally disabled person for whom a guardian or other fiduciary has not been appointed.

"(2) AUTHORIZED PROCEDURES.—The regulations under paragraph (1) may include provisions for the following:

"(A) In the case of an annuitant referred to in paragraph (1)(A), payment of the annuity to the appointed guardian or other fiduciary.

"(B) In the case of an annuitant referred to in paragraph (1)(B), payment of the annuity to any person who, in the judgment of the Secretary concerned, is responsible for the care of the annuitant.

"(C) Subject to subparagraphs (D) and (E), a requirement for the payee of an annuity to spend or invest the amounts paid on behalf of the annuitant solely for the benefit of the annuitant.

"(D) Authority for the Secretary concerned to permit the payee to withhold from the annuity payment such amount, not in excess of 4 percent of the annuity, as the Secretary concerned considers a reasonable fee for the fiduciary services of the payee when a court appointment order provides for payment of such a fee to the payee for such services or the Secretary concerned determines that payment of a fee to such payee is necessary in order to obtain the fiduciary services of the payee.

"(E) Authority for the Secretary concerned to require the payee to provide a surety bond in an amount sufficient to protect the interests of the annuitant and to pay for such bond out of the annuity.

"(F) A requirement for the payee of an annuity to maintain and, upon request, to provide to the Secretary concerned an accounting of expenditures and investments of amounts paid to the payee.

"(G) In the case of an annuitant referred to in paragraph (1)(B)—

"(i) procedures for determining incompetency and for selecting a payee to represent the annuitant for the purposes of this section, including

provisions for
notifying the annuitant of the actions being
taken to
make such a determination and to select a
representative. an opportunity for the
annuitant to review
the evidence being considered. and an
opportunity for
the annuitant to submit additional evidence
before the
determination is made: and

"(ii) standards for determining incompetency,
including standards for determining the sufficiency of
medical evidence and other evidence.

"(H) Provisions for any other matter that the President
considers appropriate in connection with the payment of
an annuity in the case of a person referred to in paragraph

"(3) LEGAL EFFECT OF PAYMENT TO GUARDIAN OR
FIDUCIARY.—An annuity paid to a person on behalf of
an annuitant
in accordance with the regulations prescribed
pursuant to para-
graph (1) discharges the obligation of the
United States for